

INITIATIVE 206

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 206 to the Legislature is a true and correct copy as it was received by this office.

1 AN ACT Relating to revoking the growth management act; amending RCW
2 36.79.150, 36.94.040, 43.88.110, 43.155.070, 47.26.080, 66.08.190,
3 82.46.010, 82.46.030, and 82.46.050; reenacting and amending RCW
4 82.46.040 and 82.46.060; creating new sections; repealing RCW
5 36.70A.010, 36.70A.020, 36.70A.030, 36.70A.040, 36.70A.045, 36.70A.050,
6 36.70A.060, 36.70A.070, 36.70A.080, 36.70A.090, 36.70A.100, 36.70A.103,
7 36.70A.106, 36.70A.110, 36.70A.120, 36.70A.130, 36.70A.140, 36.70A.150,
8 36.70A.160, 36.70A.170, 36.70A.172, 36.70A.175, 36.70A.180, 36.70A.190,
9 36.70A.200, 36.70A.210, 36.70A.250, 36.70A.260, 36.70A.270, 36.70A.280,
10 36.70A.290, 36.70A.300, 36.70A.305, 36.70A.310, 36.70A.320, 36.70A.330,
11 36.70A.340, 36.70A.345, 36.70A.350, 36.70A.360, 36.70A.365, 36.70A.367,
12 36.70A.370, 36.70A.380, 36.70A.385, 36.70A.390, 36.70A.400, 36.70A.410,
13 36.70A.420, 36.70A.430, 36.70A.450, 36.70A.460, 36.70A.470, 36.70A.480,
14 36.70A.481, 36.70A.490, 36.70A.500, 36.70A.510, 36.70A.800, 36.70A.900,
15 36.70A.901, 36.70A.902, 36.70A.---, 36.70A.---, 36.70A.---, 36.70A.---,
16 36.70A.---, 36.70A.---, 36.70A.---, 36.70A.---, 36.70B.010, 36.70B.020,
17 36.70B.030, 36.70B.040, 36.70B.050, 36.70B.060, 36.70B.070, 36.70B.080,
18 36.70B.090, 36.70B.100, 36.70B.110, 36.70B.120, 36.70B.130, 36.70B.140,
19 36.70B.150, 36.70B.160, 36.70B.170, 36.70B.180, 36.70B.190, 36.70B.200,
20 36.70B.210, 36.70B.220, 36.70B.230, 19.27.097, 35.13.005, 35.63.125,
21 35A.14.005, 35A.63.105, 36.70.545, 36.93.157, 36.93.230, 43.17.065,

1 43.17.250, 43.62.035, 43.63A.550, 47.80.010, 47.80.020, 47.80.030,
2 47.80.040, 47.80.050, 59.18.440, 59.18.450, 82.02.050, 82.02.060,
3 82.02.070, 82.02.080, 82.02.090, 82.08.180, 82.14.215, 82.46.035, and
4 43.--.---; and repealing 1990 1st ex.s. c 17 s 64 (uncodified).

5 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The people find that the growth management
7 act, chapter 36.70A RCW, together with its pendant implementing
8 administrative boards, agencies, rules, and regulations, has
9 effectively replaced local government control over local land use
10 policy with centralized state level control, contrary to our tradition
11 of local control over local issues. This act is intended to revoke the
12 growth management act, chapter 36.70A RCW, and dissolve all
13 administrative boards and agencies created pursuant to that chapter,
14 invalidate administrative rules adopted under the authority of that
15 chapter, prohibit the recovery by the state of any moneys distributed
16 pursuant to the authority of that chapter, and relieve local
17 governments of all burdens and obligations imposed upon them by that
18 chapter. The people continue to encourage local governments to plan
19 for their anticipated growth, but intend that each local government lay
20 such plans as in its own judgment best fit its own unique local needs
21 and circumstances.

22 NEW SECTION. **Sec. 2.** The following acts or parts of acts are each
23 repealed:

- 24 (1) RCW 36.70A.010 and 1990 1st ex.s. c 17 s 1;
25 (2) RCW 36.70A.020 and 1990 1st ex.s. c 17 s 2;
26 (3) RCW 36.70A.030 and 1997 c 429 (ESB 6094) s 3 & 1995 c 382 s 9;
27 (4) RCW 36.70A.040 and 1995 c 400 s 1, 1993 sp.s. c 6 s 1, & 1990
28 1st ex.s. c 17 s 4;
29 (5) RCW 36.70A.045 and 1991 sp.s. c 32 s 15;
30 (6) RCW 36.70A.050 and 1990 1st ex.s. c 17 s 5;
31 (7) RCW 36.70A.060 and 1991 sp.s. c 32 s 21 & 1990 1st ex.s. c 17
32 s 6;
33 (8) RCW 36.70A.070 and 1997 c 429 (ESB 6094) s 7 & 1996 c 239 s 1;
34 (9) RCW 36.70A.080 and 1990 1st ex.s. c 17 s 8;
35 (10) RCW 36.70A.090 and 1990 1st ex.s. c 17 s 9;
36 (11) RCW 36.70A.100 and 1990 1st ex.s. c 17 s 10;

1 (12) RCW 36.70A.103 and 1991 sp.s. c 32 s 4;
2 (13) RCW 36.70A.106 and 1991 sp.s. c 32 s 8;
3 (14) RCW 36.70A.110 and 1997 c 429 (ESB 6094) s 24, 1995 c 400 s 2,
4 1994 c 249 s 27, 1993 sp.s. c 6 s 2, 1991 sp.s. c 32 s 29, & 1990 1st
5 ex.s. c 17 s 11;
6 (15) RCW 36.70A.120 and 1993 sp.s. c 6 s 3 & 1990 1st ex.s. c 17 s
7 12;
8 (16) RCW 36.70A.130 and 1997 c 429 (ESB 6094) s 10, 1995 c 347 s
9 106, & 1990 1st ex.s. c 17 s 13;
10 (17) RCW 36.70A.140 and 1995 c 347 s 107 & 1990 1st ex.s. c 17 s
11 14;
12 (18) RCW 36.70A.150 and 1991 c 322 s 23 & 1990 1st ex.s. c 17 s 15;
13 (19) RCW 36.70A.160 and 1992 c 227 s 1 & 1990 1st ex.s. c 17 s 16;
14 (20) RCW 36.70A.170 and 1990 1st ex.s. c 17 s 17;
15 (21) RCW 36.70A.172 and 1995 c 347 s 105;
16 (22) RCW 36.70A.175 and 1995 c 382 s 12;
17 (23) RCW 36.70A.180 and 1990 1st ex.s. c 17 s 19;
18 (24) RCW 36.70A.190 and 1991 sp.s. c 32 s 3 & 1990 1st ex.s. c 17
19 s 20;
20 (25) RCW 36.70A.200 and 1991 sp.s. c 32 s 1;
21 (26) RCW 36.70A.210 and 1994 c 249 s 28, 1993 sp.s. c 6 s 4, & 1991
22 sp.s. c 32 s 2;
23 (27) RCW 36.70A.250 and 1994 c 249 s 29 & 1991 sp.s. c 32 s 5;
24 (28) RCW 36.70A.260 and 1994 c 249 s 30 & 1991 sp.s. c 32 s 6;
25 (29) RCW 36.70A.270 and 1997 c 429 (ESB 6094) s 11, 1996 c 325 s 1,
26 1994 c 257 s 1, & 1991 sp.s. c 32 s 7;
27 (30) RCW 36.70A.280 and 1996 c 325 s 2, 1995 c 347 s 108, 1994 c
28 249 s 31, & 1991 sp.s. c 32 s 9;
29 (31) RCW 36.70A.290 and 1997 c 429 (ESB 6094) s 12 & 1995 c 347 s
30 109;
31 (32) RCW 36.70A.300 and 1997 c 429 (ESB 6094) s 14, 1995 c 347 s
32 110, & 1991 sp.s. c 32 s 11;
33 (33) RCW 36.70A.305 and 1996 c 325 s 4;
34 (34) RCW 36.70A.310 and 1994 c 249 s 32 & 1991 sp.s. c 32 s 12;
35 (35) RCW 36.70A.320 and 1997 c 429 (ESB 6094) s 20, 1995 c 347 s
36 111, & 1991 sp.s. c 32 s 13;
37 (36) RCW 36.70A.330 and 1997 c 429 (ESB 6094) s 21, 1995 c 347 s
38 112, & 1991 sp.s. c 32 s 14;
39 (37) RCW 36.70A.340 and 1991 sp.s. c 32 s 26;

1 (38) RCW 36.70A.345 and 1994 c 249 s 33 & 1993 sp.s. c 6 s 5;
2 (39) RCW 36.70A.350 and 1991 sp.s. c 32 s 16;
3 (40) RCW 36.70A.360 and 1991 sp.s. c 32 s 17;
4 (41) RCW 36.70A.365 and 1995 c 190 s 1;
5 (42) RCW 36.70A.367 and 1997 c 402 (ESB 5915) s 1 & 1996 c 167 s 2;
6 (43) RCW 36.70A.370 and 1991 sp.s. c 32 s 18;
7 (44) RCW 36.70A.380 and 1991 sp.s. c 32 s 39;
8 (45) RCW 36.70A.385 and 1995 c 399 s 43 & 1991 sp.s. c 32 s 20;
9 (46) RCW 36.70A.390 and 1992 c 207 s 6;
10 (47) RCW 36.70A.400 and 1993 c 478 s 11;
11 (48) RCW 36.70A.410 and 1993 c 478 s 23;
12 (49) RCW 36.70A.420 and 1994 c 258 s 1;
13 (50) RCW 36.70A.430 and 1994 c 258 s 2;
14 (51) RCW 36.70A.450 and 1995 c 49 s 3 & 1994 c 273 s 17;
15 (52) RCW 36.70A.460 and 1995 c 378 s 11;
16 (53) RCW 36.70A.470 and 1995 c 347 s 102;
17 (54) RCW 36.70A.480 and 1995 c 347 s 104;
18 (55) RCW 36.70A.481 and 1995 c 382 s 13;
19 (56) RCW 36.70A.490 and 1995 c 347 s 115;
20 (57) RCW 36.70A.500 and 1997 c 429 (ESB 6094) s 28 & 1995 c 347 s
21 116;
22 (58) RCW 36.70A.510 and 1996 c 239 s 5;
23 (59) RCW 36.70A.800 and 1990 1st ex.s. c 17 s 86;
24 (60) RCW 36.70A.900 and 1990 1st ex.s. c 17 s 88;
25 (61) RCW 36.70A.901 and 1990 1st ex.s. c 17 s 89;
26 (62) RCW 36.70A.902 and 1991 sp.s. c 32 s 40;
27 (63) RCW 36.70A.--- and 1997 c 382 (SHB 2083) s 1;
28 (64) RCW 36.70A.--- and 1997 c 429 (ESB 6094) s 2;
29 (65) RCW 36.70A.--- and 1997 c 429 (ESB 6094) s 9;
30 (66) RCW 36.70A.--- and 1997 c 429 (ESB 6094) s 13;
31 (67) RCW 36.70A.--- and 1997 c 429 (ESB 6094) s 16;
32 (68) RCW 36.70A.--- and 1997 c 429 (ESB 6094) s 22;
33 (69) RCW 36.70A.--- and 1997 c 429 (ESB 6094) s 23; and
34 (70) RCW 36.70A.--- and 1997 c 429 (ESB 6094) s 25.

35 NEW SECTION. **Sec. 3.** The following acts or parts of acts are each
36 repealed:

37 (1) RCW 36.70B.010 and 1995 c 347 s 401;
38 (2) RCW 36.70B.020 and 1995 c 347 s 402;

1 (3) RCW 36.70B.030 and 1995 c 347 s 404;
2 (4) RCW 36.70B.040 and 1997 c 429 (ESB 6094) s 46 & 1995 c 347 s
3 405;
4 (5) RCW 36.70B.050 and 1995 c 347 s 406;
5 (6) RCW 36.70B.060 and 1995 c 347 s 407;
6 (7) RCW 36.70B.070 and 1995 c 347 s 408 & 1994 c 257 s 4;
7 (8) RCW 36.70B.080 and 1995 c 347 s 410, 1995 c 347 s 409, & 1994
8 c 257 s 3;
9 (9) RCW 36.70B.090 and 1995 c 347 s 413;
10 (10) RCW 36.70B.100 and 1995 c 347 s 414;
11 (11) RCW 36.70B.110 and 1997 c 429 (ESB 6094) s 48, 1997 c 396 (SSB
12 5462) s 1, & 1995 c 347 s 415;
13 (12) RCW 36.70B.120 and 1995 c 347 s 416;
14 (13) RCW 36.70B.130 and 1996 c 254 s 1 & 1995 c 347 s 417;
15 (14) RCW 36.70B.140 and 1995 c 347 s 418;
16 (15) RCW 36.70B.150 and 1995 c 347 s 419;
17 (16) RCW 36.70B.160 and 1995 c 347 s 420;
18 (17) RCW 36.70B.170 and 1995 c 347 s 502;
19 (18) RCW 36.70B.180 and 1995 c 347 s 503;
20 (19) RCW 36.70B.190 and 1995 c 347 s 504;
21 (20) RCW 36.70B.200 and 1995 c 347 s 505;
22 (21) RCW 36.70B.210 and 1995 c 347 s 506;
23 (22) RCW 36.70B.220 and 1996 c 206 s 9; and
24 (23) RCW 36.70B.230 and 1996 c 254 s 6.

25 NEW SECTION. **Sec. 4.** The following acts or parts of acts are each
26 repealed:

27 (1) RCW 19.27.097 and 1995 c 399 s 9, 1991 sp.s. c 32 s 28, & 1990
28 1st ex.s. c 17 s 63;
29 (2) RCW 35.13.005 and 1990 1st ex.s. c 17 s 30;
30 (3) RCW 35.63.125 and 1990 1st ex.s. c 17 s 22;
31 (4) RCW 35A.14.005 and 1990 1st ex.s. c 17 s 31;
32 (5) RCW 35A.63.105 and 1990 1st ex.s. c 17 s 23;
33 (6) RCW 36.70.545 and 1990 1st ex.s. c 17 s 24;
34 (7) RCW 36.93.157 and 1992 c 162 s 2;
35 (8) RCW 36.93.230 and 1991 sp.s. c 32 s 22;
36 (9) RCW 43.17.065 and 1995 c 226 s 24, 1993 c 280 s 37, 1991 c 314
37 s 28, & 1990 1st ex.s. c 17 s 77;
38 (10) RCW 43.17.250 and 1991 sp.s. c 32 s 25;

(11) RCW 43.62.035 and 1997 c 429 (ESB 6094) s 26, 1995 c 162 s 1, 1991 sp.s. c 32 s 30, & 1990 1st ex.s. c 17 s 32;
(12) RCW 43.63A.550 and 1990 1st ex.s. c 17 s 21;
(13) RCW 47.80.010 and 1990 1st ex.s. c 17 s 53;
(14) RCW 47.80.020 and 1990 1st ex.s. c 17 s 54;
(15) RCW 47.80.030 and 1994 c 158 s 4 & 1990 1st ex.s. c 17 s 55;
(16) RCW 47.80.040 and 1990 1st ex.s. c 17 s 56;
(17) RCW 47.80.050 and 1990 1st ex.s. c 17 s 57;
(18) RCW 59.18.440 and 1997 c 452 (SSB 5867) s 17, 1995 c 399 s 151, & 1990 1st ex.s. c 17 s 49;
(19) RCW 59.18.450 and 1990 1st ex.s. c 17 s 50;
(20) RCW 82.02.050 and 1994 c 257 s 24, 1993 sp.s. c 6 s 6, & 1990 1st ex.s. c 17 s 43;
(21) RCW 82.02.060 and 1990 1st ex.s. c 17 s 44;
(22) RCW 82.02.070 and 1990 1st ex.s. c 17 s 46;
(23) RCW 82.02.080 and 1990 1st ex.s. c 17 s 47;
(24) RCW 82.02.090 and 1990 1st ex.s. c 17 s 48;
(25) RCW 82.08.180 and 1991 sp.s. c 32 s 36;
(26) RCW 82.14.215 and 1991 sp.s. c 32 s 35;
(27) RCW 82.46.035 and 1992 c 221 s 3, 1991 sp.s. c 32 s 33, & 1990 1st ex.s. c 17 s 38;
(28) 1990 1st ex.s. c 17 s 64 (uncodified); and
(29) RCW 43.--.--- and 1997 c 369 (ESHB 2170) s 3.

Sec. 5. RCW 36.79.150 and 1991 sp.s. c 32 s 31 are each amended to read as follows:

~~((1))~~ Whenever the board approves a rural arterial project it shall determine the amount of rural arterial trust account funds to be allocated for such project. The allocation shall be based upon information contained in the six-year plan submitted by the county seeking approval of the project and upon such further investigation as the board deems necessary. The board shall adopt reasonable rules pursuant to which rural arterial trust account funds allocated to a project may be increased upon a subsequent application of the county constructing the project. The rules adopted by the board shall take into account, but shall not be limited to, the following factors:
~~((a))~~ (1) The financial effect of increasing the original allocation for the project upon other rural arterial projects either approved or requested; ~~((b))~~ (2) whether the project for which an additional

1 allocation is requested can be reduced in scope while retaining a
2 usable segment; ~~((c))~~ (3) whether the original cost of the project
3 shown in the applicant's six-year program was based upon reasonable
4 engineering estimates; and ~~((d))~~ (4) whether the requested additional
5 allocation is to pay for an expansion in the scope of work originally
6 approved.

7 ~~((2) The board shall not allocate funds, nor make payments under
8 RCW 36.79.160, to any county or city identified by the governor under
9 RCW 36.70A.340.))~~

10 **Sec. 6.** RCW 36.94.040 and 1990 1st ex.s. c 17 s 33 are each
11 amended to read as follows:

12 The sewerage and/or water general plan must incorporate the
13 provisions of existing comprehensive plans relating to sewerage and
14 water systems of cities, towns, municipalities, and private utilities,
15 to the extent they have been implemented.

16 In any county in which a metropolitan municipal corporation is
17 authorized to perform the sewerage disposal or water supply function,
18 any sewerage and/or water general plan shall be approved by the
19 metropolitan municipal corporation prior to adoption by the county.

20 **Sec. 7.** RCW 43.88.110 and 1997 c 96 (HB 1066) s 6 are each amended
21 to read as follows:

22 This section sets forth the expenditure programs and the allotment
23 and reserve procedures to be followed by the executive branch for
24 public funds.

25 (1) Allotments of an appropriation for any fiscal period shall
26 conform to the terms, limits, or conditions of the appropriation.

27 (2) The director of financial management shall provide all agencies
28 with a complete set of operating and capital instructions for preparing
29 a statement of proposed expenditures at least thirty days before the
30 beginning of a fiscal period. The set of instructions need not include
31 specific appropriation amounts for the agency.

32 (3) Within forty-five days after the beginning of the fiscal period
33 or within forty-five days after the governor signs the omnibus biennial
34 appropriations act, whichever is later, all agencies shall submit to
35 the governor a statement of proposed expenditures at such times and in
36 such form as may be required by the governor.

1 (4) The office of financial management shall develop a method for
2 monitoring capital appropriations and expenditures that will capture at
3 least the following elements:

4 (a) Appropriations made for capital projects including
5 transportation projects;

6 (b) Estimates of total project costs including past, current,
7 ensuing, and future biennial costs;

8 (c) Comparisons of actual costs to estimated costs;

9 (d) Comparisons of estimated construction start and completion
10 dates with actual dates;

11 (e) Documentation of fund shifts between projects.

12 This data may be incorporated into the existing accounting system
13 or into a separate project management system, as deemed appropriate by
14 the office of financial management.

15 (5) The office of financial management shall publish agency annual
16 maintenance summary reports beginning in October 1997. State agencies
17 shall submit a separate report for each major campus or site, as
18 defined by the office of financial management. Reports shall be
19 prepared in a format prescribed by the office of financial management
20 and shall include, but not be limited to: Information describing the
21 number, size, and condition of state-owned facilities; facility
22 maintenance, repair, and operating expenses paid from the state
23 operating and capital budgets, including maintenance staffing levels;
24 the condition of major infrastructure systems; and maintenance
25 management initiatives undertaken by the agency over the prior year.
26 Agencies shall submit their annual maintenance summary reports to the
27 office of financial management by September 1 each year.

28 (6) The office of financial management, prior to approving
29 allotments for major capital construction projects valued over five
30 million dollars, shall institute procedures for reviewing such projects
31 at the predesign stage that will reduce long-term costs and increase
32 facility efficiency. The procedures shall include, but not be limited
33 to, the following elements:

34 (a) Evaluation of facility program requirements and consistency
35 with long-range plans;

36 (b) Utilization of a system of cost, quality, and performance
37 standards to compare major capital construction projects; and

38 (c) A requirement to incorporate value-engineering analysis and
39 constructability review into the project schedule.

1 (7) No expenditure may be incurred or obligation entered into for
2 such major capital construction projects including, without exception,
3 land acquisition, site development, predesign, design, construction,
4 and equipment acquisition and installation, until the allotment of the
5 funds to be expended has been approved by the office of financial
6 management. This limitation does not prohibit the continuation of
7 expenditures and obligations into the succeeding biennium for projects
8 for which allotments have been approved in the immediate prior
9 biennium.

10 (8) If at any time during the fiscal period the governor projects
11 a cash deficit in a particular fund or account as defined by RCW
12 43.88.050, the governor shall make across-the-board reductions in
13 allotments for that particular fund or account so as to prevent a cash
14 deficit, unless the legislature has directed the liquidation of the
15 cash deficit over one or more fiscal periods. Except for the
16 legislative and judicial branches and other agencies headed by elective
17 officials, the governor shall review the statement of proposed
18 operating expenditures for reasonableness and conformance with
19 legislative intent. Once the governor approves the statements of
20 proposed operating expenditures, further revisions shall be made only
21 at the beginning of the second fiscal year and must be initiated by the
22 governor. However, changes in appropriation level authorized by the
23 legislature, changes required by across-the-board reductions mandated
24 by the governor, and changes caused by executive increases to spending
25 authority(~~(, and changes caused by executive decreases to spending~~
26 ~~authority for failure to comply with the provisions of chapter 36.70A~~
27 RCW)) may require additional revisions. Revisions shall not be made
28 retroactively. Revisions caused by executive increases to spending
29 authority shall not be made after June 30, 1987. However, the governor
30 may assign to a reserve status any portion of an agency appropriation
31 withheld as part of across-the-board reductions made by the governor
32 and any portion of an agency appropriation conditioned on a contingent
33 event by the appropriations act. The governor may remove these amounts
34 from reserve status if the across-the-board reductions are subsequently
35 modified or if the contingent event occurs. The director of financial
36 management shall enter approved statements of proposed expenditures
37 into the state budgeting, accounting, and reporting system within
38 forty-five days after receipt of the proposed statements from the
39 agencies. If an agency or the director of financial management is

1 unable to meet these requirements, the director of financial management
2 shall provide a timely explanation in writing to the legislative fiscal
3 committees.

4 (9) It is expressly provided that all agencies shall be required to
5 maintain accounting records and to report thereon in the manner
6 prescribed in this chapter and under the regulations issued pursuant to
7 this chapter. Within ninety days of the end of the fiscal year, all
8 agencies shall submit to the director of financial management their
9 final adjustments to close their books for the fiscal year. Prior to
10 submitting fiscal data, written or oral, to committees of the
11 legislature, it is the responsibility of the agency submitting the data
12 to reconcile it with the budget and accounting data reported by the
13 agency to the director of financial management.

14 (10) The director of financial management shall monitor agency
15 operating expenditures against the approved statement of proposed
16 expenditures and shall provide the legislature with quarterly
17 explanations of major variances.

18 (11) The director of financial management may exempt certain public
19 funds from the allotment controls established under this chapter if it
20 is not practical or necessary to allot the funds. Allotment control
21 exemptions expire at the end of the fiscal biennium for which they are
22 granted. The director of financial management shall report any
23 exemptions granted under this subsection to the legislative fiscal
24 committees.

25 **Sec. 8.** RCW 43.155.070 and 1997 c 429 (ESB 6094) s 29 are each
26 amended to read as follows:

27 (1) To qualify for loans or pledges under this chapter the board
28 must determine that a local government meets all of the following
29 conditions:

30 (a) The city or county must be imposing a tax under chapter 82.46
31 RCW at a rate of at least one-quarter of one percent;

32 (b) The local government must have developed a long-term plan for
33 financing public works needs; and

34 (c) The local government must be using all local revenue sources
35 which are reasonably available for funding public works, taking into
36 consideration local employment and economic factors(~~(i) and~~

37 ~~(d) Except where necessary to address a public health need or~~
38 ~~substantial environmental degradation, a county, city, or town that is~~

~~required or chooses to plan under RCW 36.70A.040 must have adopted a comprehensive plan in conformance with the requirements of chapter 36.70A RCW, after it is required that the comprehensive plan be adopted, and must have adopted development regulations in conformance with the requirements of chapter 36.70A RCW, after it is required that development regulations be adopted))~~.

(2) The board shall develop a priority process for public works projects as provided in this section. The intent of the priority process is to maximize the value of public works projects accomplished with assistance under this chapter. The board shall attempt to assure a geographical balance in assigning priorities to projects. The board shall consider at least the following factors in assigning a priority to a project:

(a) Whether the local government receiving assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs;

(b) Whether the project is critical in nature and would affect the health and safety of a great number of citizens;

(c) The cost of the project compared to the size of the local government and amount of loan money available;

(d) The number of communities served by or funding the project;

(e) Whether the project is located in an area of high unemployment, compared to the average state unemployment;

(f) Whether the project is the acquisition, expansion, improvement, or renovation by a local government of a public water system that is in violation of health and safety standards, including the cost of extending existing service to such a system; and

~~(g) ((The relative benefit of the project to the community, considering the present level of economic activity in the community and the existing local capacity to increase local economic activity in communities that have low economic growth; and~~

~~(h)))~~ Other criteria that the board considers advisable.

(3) Existing debt or financial obligations of local governments shall not be refinanced under this chapter. Each local government applicant shall provide documentation of attempts to secure additional local or other sources of funding for each public works project for which financial assistance is sought under this chapter.

(4) Before November 1 of each year, the board shall develop and submit to the appropriate fiscal committees of the senate and house of

1 representatives a description of the loans made under RCW 43.155.065,
2 43.155.068, and subsection (7) of this section during the preceding
3 fiscal year and a prioritized list of projects which are recommended
4 for funding by the legislature, including one copy to the staff of each
5 of the committees. The list shall include, but not be limited to, a
6 description of each project and recommended financing, the terms and
7 conditions of the loan or financial guarantee, the local government
8 jurisdiction and unemployment rate, demonstration of the jurisdiction's
9 critical need for the project and documentation of local funds being
10 used to finance the public works project. The list shall also include
11 measures of fiscal capacity for each jurisdiction recommended for
12 financial assistance, compared to authorized limits and state averages,
13 including local government sales taxes; real estate excise taxes;
14 property taxes; and charges for or taxes on sewerage, water, garbage,
15 and other utilities.

16 (5) The board shall not sign contracts or otherwise financially
17 obligate funds from the public works assistance account before the
18 legislature has appropriated funds for a specific list of public works
19 projects. The legislature may remove projects from the list
20 recommended by the board. The legislature shall not change the order
21 of the priorities recommended for funding by the board.

22 (6) Subsection (5) of this section does not apply to loans made
23 under RCW 43.155.065, 43.155.068, and subsection (7) of this section.

24 (7)(a) Loans made for the purpose of capital facilities plans shall
25 be exempted from subsection (5) of this section. In no case shall the
26 total amount of funds utilized for capital facilities plans and
27 emergency loans exceed the limitation in RCW 43.155.065.

28 (b) For the purposes of this section "capital facilities plans"
29 means those plans required by ~~((the growth management act, chapter~~
30 ~~36.70A RCW, and plans required by))~~ the public works board ~~((for local~~
31 ~~governments not subject to the growth management act))~~.

32 (8) To qualify for loans or pledges for solid waste or recycling
33 facilities under this chapter, a city or county must demonstrate that
34 the solid waste or recycling facility is consistent with and necessary
35 to implement the comprehensive solid waste management plan adopted by
36 the city or county under chapter 70.95 RCW.

37 **Sec. 9.** RCW 47.26.080 and 1994 c 179 s 8 are each amended to read
38 as follows:

1 There is hereby created in the motor vehicle fund the urban
2 arterial trust account. The intent of the urban arterial trust account
3 program is to improve the urban arterial street system of the state by
4 improving mobility and safety while supporting an environment essential
5 to the quality of life of the citizens of the state of Washington. To
6 be eligible to receive these funds, a project must be consistent with
7 ~~((the Growth Management Act,))~~: The Clean Air Act including
8 conformity~~((7))~~; and the Commute Trip Reduction Law. The project shall
9 consider safety, mobility, and physical characteristics of the roadway
10 and must be partially funded by local government.

11 All moneys deposited in the motor vehicle fund to be credited to
12 the urban arterial trust account shall be expended for the construction
13 and improvement of city arterial streets and county arterial roads
14 within urban areas, for expenses of the transportation improvement
15 board in accordance with RCW 47.26.140, or for the payment of principal
16 or interest on bonds issued for the purpose of constructing or
17 improving city arterial streets and county arterial roads within urban
18 areas, or for reimbursement to the state, counties, cities, and towns
19 in accordance with RCW 47.26.4252 and 47.26.4254, the amount of any
20 payments made on principal or interest on urban arterial trust account
21 bonds from motor vehicle or special fuel tax revenues which were
22 distributable to the state, counties, cities, and towns.

23 ~~((The board shall not allocate funds, nor make payments of the
24 funds under RCW 47.26.260, to any county, city, or town identified by
25 the governor under RCW 36.70A.340.))~~

26 **Sec. 10.** RCW 66.08.190 and 1995 c 159 s 1 are each amended to read
27 as follows:

28 When excess funds are distributed, all moneys subject to
29 distribution shall be disbursed as follows:

30 (1) Three-tenths of one percent to border areas under RCW
31 66.08.195; and

32 (2) From the amount remaining after distribution under subsection
33 (1) of this section, fifty percent to the general fund of the state,
34 ten percent to the counties of the state, and forty percent to the
35 incorporated cities and towns of the state.

36 ~~((The governor may notify and direct the state treasurer to
37 withhold the revenues to which the counties and cities are entitled~~

1 ~~under this section if the counties or cities are found to be in~~
2 ~~noncompliance pursuant to RCW 36.70A.340.))~~

3 **Sec. 11.** RCW 82.46.010 and 1994 c 272 s 1 are each amended to read
4 as follows:

5 (1) The legislative authority of any county or city shall identify
6 in the adopted budget the capital projects funded in whole or in part
7 from the proceeds of the tax authorized in this section, and shall
8 indicate that such tax is intended to be in addition to other funds
9 that may be reasonably available for such capital projects.

10 (2) The legislative authority of any county or any city may impose
11 an excise tax on each sale of real property in the unincorporated areas
12 of the county for the county tax and in the corporate limits of the
13 city for the city tax at a rate not exceeding one-quarter of one
14 percent of the selling price. ~~((The revenues from this tax shall be~~
15 ~~used by any city or county with a population of five thousand or less~~
16 ~~and any city or county that does not plan under RCW 36.70A.040 for any~~
17 ~~capital purpose identified in a capital improvements plan and local~~
18 ~~capital improvements, including those listed in RCW 35.43.040.~~

19 ~~After April 30, 1992, revenues generated from the tax imposed under~~
20 ~~this subsection in counties over five thousand population and cities~~
21 ~~over five thousand population that are required or choose to plan under~~
22 ~~RCW 36.70A.040 shall be used solely for financing capital projects~~
23 ~~specified in a capital facilities plan element of a comprehensive plan~~
24 ~~and housing relocation assistance under RCW 59.18.440 and 59.18.450.~~
25 ~~However, revenues (a) pledged by such counties and cities to debt~~
26 ~~retirement prior to April 30, 1992, may continue to be used for that~~
27 ~~purpose until the original debt for which the revenues were pledged is~~
28 ~~retired, or (b) committed prior to April 30, 1992, by such counties or~~
29 ~~cities to a project may continue to be used for that purpose until the~~
30 ~~project is completed.))~~

31 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2), the
32 legislative authority of any county or any city may impose an
33 additional excise tax on each sale of real property in the
34 unincorporated areas of the county for the county tax and in the
35 corporate limits of the city for the city tax at a rate not exceeding
36 one-half of one percent of the selling price.

37 (4) Taxes imposed under this section shall be collected from
38 persons who are taxable by the state under chapter 82.45 RCW upon the

1 occurrence of any taxable event within the unincorporated areas of the
2 county or within the corporate limits of the city, as the case may be.

3 (5) Taxes imposed under this section shall comply with all
4 applicable rules, regulations, laws, and court decisions regarding real
5 estate excise taxes as imposed by the state under chapter 82.45 RCW.

6 (6) As used in this section, "city" means any city or town and
7 "capital project" means those public works projects of a local
8 government for planning, acquisition, construction, reconstruction,
9 repair, replacement, rehabilitation, or improvement of streets; roads;
10 highways; sidewalks; street and road lighting systems; traffic signals;
11 bridges; domestic water systems; storm and sanitary sewer systems;
12 parks; recreational facilities; law enforcement facilities; fire
13 protection facilities; trails; libraries; administrative and/or
14 judicial facilities; river and/or waterway flood control projects by
15 those jurisdictions that, prior to June 11, 1992, have expended funds
16 derived from the tax authorized by this section for such purposes; and,
17 until December 31, 1995, housing projects for those jurisdictions that,
18 prior to June 11, 1992, have expended or committed to expend funds
19 derived from the tax authorized by this section or the tax authorized
20 by RCW 82.46.035 for such purposes.

21 **Sec. 12.** RCW 82.46.030 and 1992 c 221 s 2 are each amended to read
22 as follows:

23 (1) The county treasurer shall place one percent of the proceeds of
24 the taxes imposed under this chapter in the county current expense fund
25 to defray costs of collection.

26 (2) The remaining proceeds from the county tax under RCW
27 (~~((82.46.010(1)))~~) 82.46.010(2) shall be placed in a county capital
28 improvements fund. The remaining proceeds from city or town taxes
29 under RCW (~~((82.46.010(1)))~~) 82.46.010(2) shall be distributed to the
30 respective cities and towns monthly and placed by the city treasurer in
31 a municipal capital improvements fund. These capital improvements
32 funds shall be used by the respective jurisdictions for local
33 improvements, including those listed in RCW 35.43.040.

34 (3) This section does not limit the existing authority of any city,
35 town, or county to impose special assessments on property specially
36 benefited thereby in the manner prescribed by law.

1 **Sec. 13.** RCW 82.46.040 and 1990 1st ex.s. c 17 s 39 and 1990 1st
2 ex.s. c 5 s 4 are each reenacted and amended to read as follows:

3 Any tax imposed under (~~((this chapter or))~~) RCW 82.46.010 or
4 82.46.070 and any interest or penalties thereon is a specific lien upon
5 each piece of real property sold from the time of sale until the tax is
6 paid, which lien may be enforced in the manner prescribed for the
7 foreclosure of mortgages.

8 **Sec. 14.** RCW 82.46.050 and 1990 1st ex.s. c 17 s 40 are each
9 amended to read as follows:

10 The taxes levied under (~~((this chapter))~~) RCW 82.46.010 are the
11 obligation of the seller and may be enforced through an action of debt
12 against the seller or in the manner prescribed for the foreclosure of
13 mortgages. Resort to one course of enforcement is not an election not
14 to pursue the other.

15 **Sec. 15.** RCW 82.46.060 and 1990 1st ex.s. c 17 s 41 and 1990 1st
16 ex.s. c 5 s 5 are each reenacted and amended to read as follows:

17 Any taxes imposed under (~~((this chapter or))~~) RCW 82.46.010 or
18 82.46.070 shall be paid to and collected by the treasurer of the county
19 within which is located the real property which was sold. The
20 treasurer shall act as agent for any city within the county imposing
21 the tax. The county treasurer shall cause a stamp evidencing
22 satisfaction of the lien to be affixed to the instrument of sale or
23 conveyance prior to its recording or to the real estate excise tax
24 affidavit in the case of used mobile home sales. A receipt issued by
25 the county treasurer for the payment of the tax imposed under (~~((this~~
26 ~~chapter or))~~) RCW 82.46.010 or 82.46.070 shall be evidence of the
27 satisfaction of the lien imposed in RCW 82.46.040 and may be recorded
28 in the manner prescribed for recording satisfactions of mortgages. No
29 instrument of sale or conveyance evidencing a sale subject to the tax
30 may be accepted by the county auditor for filing or recording until the
31 tax is paid and the stamp affixed thereto; in case the tax is not due
32 on the transfer, the instrument shall not be accepted until suitable
33 notation of this fact is made on the instrument by the treasurer.

34 NEW SECTION. **Sec. 16.** All administrative boards and agencies
35 created under the authority of chapter 36.70A RCW are dissolved.

1 NEW SECTION. **Sec. 17.** All administrative rules adopted under the
2 authority of chapter 36.70A RCW are invalid, null and void, and of no
3 effect.

4 NEW SECTION. **Sec. 18.** No state officer or agency may attempt to
5 recover any moneys distributed pursuant to the authority of chapter
6 36.70A RCW.

7 NEW SECTION. **Sec. 19.** This act shall be known and cited as "The
8 Local Control of Local Government Act of 1998."

9 NEW SECTION. **Sec. 20.** If any provision of this act or its
10 application to any person or circumstance is held invalid, the
11 remainder of the act or the application of the provision to other
12 persons or circumstances is not affected.

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